

Who Pays For Growth?

Will developers be required to pay for the roads, schools and other facilities required to serve their new developments, or will the cost be put on the backs of existing taxpayers or facilities left to become overcrowded and inadequate?

That is a fundamental question facing Sarasota County.

So far it does not look good. Not good at all.

Impact fees are charges on new construction to pay for the facilities needed to serve that growth. Sarasota County Commissioners cut their road impact fees in half, supposedly in an effort to stimulate construction during the downturn even though the County's expert consultants proved it would not have that result. Even though improvement to the national economy has caused construction to rebound to levels not seen since the real estate boom, County Commissioners agreed in January, 2014 to extend their 50% road impact fee cut "indefinitely".

And the School Board and County Commission continue to charge zero impact fees for schools, even though demands are increasing and the School District continues to spend taxpayer money for growth-related purposes, such as land acquisition and a south county vocational school.

The expert Tischler Report contracted by Sarasota County in 2002 showed that for every \$1 collected in taxes, a new single family home costs \$1.53 in government services. Yet the Sarasota County Commission is doing everything it can to promote such housing construction, at the public expense, including by gutting the rules for urban sprawl in rural lands.

And then there's the imminent demise of "fiscal neutrality" under the Sarasota 2050 Plan.

The Sarasota County Commissioners hired pro-developer consultant Donna Arduin to study Sarasota 2050, the plan for urban growth in rural lands. When her report came back embarrassingly extreme, Commissioners rejected it and asked for a revision.

Then Arduin's new report came out and is more outrageous than ever.

Arduin continues to recommend "removing as many zoning restrictions and regulations as possible" throughout the County and eliminating entirely the "fiscal neutrality" requirement of Sarasota 2050, which is intended to make urban sprawl pay its own way.

Then, after saying repeal of fiscal neutrality cannot presently be done for "political considerations", Arduin proposes to gut fiscal neutrality with assumptions that inflate revenues from development and discount its expenses. For example, Arduin says that every new house should carry assumed revenues from commercial development. She also says that a new house is worth more than an existing house and therefore should be assumed to generate higher taxes, even though many existing houses are of great value and developers are now building at lower prices. And on and on with unfounded assumptions that would give developers a free ride on the backs of the taxpaying public.

Worst is Arduin's proposal to eliminate the fiscal neutrality monitoring and phase reports now required by Sarasota 2050, leaving only one report. Those reports to date have proven to be false in many respects, with some Commissioners saying that is alright because the follow up reports will catch the truth. If the follow up reports are eliminated, the false reports will stand. Consider for example that the reports for the two major Sarasota 2050 developments approved to date are based on the assumption that the developer will pay full impact fees, even though the County Commission has cut those fees 50% and voted to extend that cut "indefinitely". And they assume that mass transit funding is not needed because buses do not now run to the empty land. And that even full impact fees are enough to pay all the impacts, which County staff stated is not true.

Arduin says phase reports create difficulties for developer financing but acknowledges that financing would be done phase by phase anyway. No good, she says, because developers should not be required to design their phases in a way that keeps them fiscally neutral.

Arduin even persists that developers should be allowed "a slight negative fiscal impact to the County."

Arduin's bias is evident in her unsupported allegation that "on average growth does pay for itself". If that was true we would not face what everyone acknowledges will be gridlock at University Parkway and I-75, with no funding foreseen to make needed road improvements. The failure of our County Commissioners to make development pay its own way and to constrain urban sprawl and other development within the ability of our infrastructure to handle it poses that same problem throughout Sarasota County. It is demonstrably false that growth is paying for itself, in funding the infrastructure needed to handle the impacts of that growth.

What Arduin's radical pro-developer policies will create are inadequate roads and other public facilities, or higher taxes, or both.

Yet her concern is limited to avoiding "huge costs imposed on developers". Her contempt for growth management is evidenced in her comment that the Sarasota 2050 Plan would "impose the preferences of elite government planners".

Hiring Donna Arduin to write the rules on growth management is like hiring the Grand Dragon of the Ku Klux Klan to draft legislation on civil rights. Both oppose the objective and the result would be harmful.

It is evident from her reports that Arduin, with only bachelor degrees in economics and public policy, is not an economist, as she herself acknowledges. She is a political consultant, hired by politicians to serve political ends – in this instance to please the developers who bankroll County Commission campaigns.

That is of course the underlying problem -- developers now have undue influence over our County Commissioners for their benefit, in ways adverse to the interests of the rest of us, through their active involvement and generous funding in County Commission campaigns. They do so not out of a general interest in good government but in a desire to buy public policies to enhance their bottom line. It is an investment they would not keep making if it did not succeed.

As Ross Perot said, "Follow the money." And where that trail leads, if the developers' sway over our County Commissioners continues, is a future of traffic gridlock and tax hikes, of misguided policies that destroy the quality of life that makes our community attractive, that kills the goose that lays the golden eggs.

Who pays for growth? Right now, no one, as our roads, schools and other facilities become more and more crowded and inadequate. In the future, the taxpayers, once improvements are required and demanded and it is too late to make growth pay its own way.

Our politicians are betraying us as a favor to their patrons.

It's time for a change.